

**A RESOLUTION OF THE CITY OF MILPITAS CITY COUNCIL FOR THE ADOPTION OF FINDINGS DEMONSTRATING A COMPELLING NEED TO PREFER MILPITAS RESIDENTS AND WORKERS FOR AFFORDABLE HOUSING UNITS RECEIVING FUNDS FROM THE CITY'S DONATION TO THE SANTA CLARA COUNTY HOUSING TRUST FUND**

WHEREAS, the City of Milpitas Consolidated Plan approved by the Department of Housing and Urban Development (HUD) identifies a high priority need for affordable housing for low and moderate income renters and homeowners; and

WHEREAS, the City of Milpitas and County of Santa Clara County are facing an acute housing crisis which specifically impacts low and moderate income renters and homeowners, including public schoolteachers and their ability to find affordable housing; and

WHEREAS, the City of Milpitas has adopted a Density Bonus Ordinance, waived development fees and provided Redevelopment Agency funds and Community Development Block Grant funds to assist in providing affordable housing to low and moderate income households; and

WHEREAS, over the past several years, the City of Milpitas has financially supported and approved 905 affordable housing units to meet its fair share of affordable housing requirements and still cannot meet the demand for affordable housing units for its residents and workers, and

WHEREAS, the City of Milpitas Terrace Gardens Senior Housing Project has a waiting list of over one thousand (1,000) senior citizens seeking affordable housing in Milpitas, and the Santa Clara County Housing Authority has a five year waiting list for Section 8 vouchers for affordable housing; and

WHEREAS, the National Association of Realtors has determined that in 2004, the Bay Area had the highest median home prices in the nation of \$600,500. Furthermore, the Santa Clara County Association of Realtors has determined that the median home price in Milpitas was \$626,932 in February 2005, a 17% increase from the previous year (\$518,859); and

WHEREAS, several federal and state funding alternatives exist to provide financial assistance to Milpitas residents and workers for housing, however, these funding alternatives do not recognize the exceedingly high cost of housing in Silicon Valley particularly Santa Clara County; and

WHEREAS, the preference to Milpitas residents and workers is narrowly tailored and based on the acute housing crisis for which there are no reasonable feasible alternatives other than to implement preferences; and

WHEREAS, the proposed preference for Milpitas residents and workers would assist in reducing the existing housing crisis for low and moderate income renters and owners within the City of Milpitas; and

WHEREAS, a total number of affordable housing units allocated from the Santa Clara County Housing Trust Fund in the future shall be allocated for Milpitas residents and workers of low and moderate-income families; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Milpitas finds that Milpitas shall give preference for affordable housing units and set-aside the future allocation of affordable housing units for low and moderate-income Milpitas residents and workers.

PASSED AND ADOPTED this 5th day of April, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Gail Blalock, City Clerk

\_\_\_\_\_  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Steven T. Mattas, City Attorney

**City of Milpitas, California**

Budget # \_\_\_\_\_  
Refer # \_\_\_\_\_

**BUDGET CHANGE FORM**

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one:				
<input checked="" type="checkbox"/> Budget Appropriation	390-2940	\$150,000	390-3938	\$150,000
<input type="checkbox"/> Budget Transfer	290-3841	\$150,000	290-9104237	\$150,000

**Explain the reason for the budget change:**

On February 22, 2005, the Housing Trust Fund and Silicon Valley Leadership Group announced the proposal "Phase III" a public-private compact between interested private-sector investors and public agencies with a goal of assisting a minimum of 1,000 families per year for each of the next three years. A funding goal of \$1.5 million would allow the Housing Trust to invest funds into the creation of affordable rental housing, homeless and special needs housing and support first-time homebuyers.

To date, the Housing Trust Fund of Santa Clara County has raised more than \$25 million in local public and private contributions and has invested more than \$1.6 million in affordable housing opportunities throughout Santa Clara County. Since they began distributing funds in 2001, the Trust has already helped more than 4,255 families, including assistance to 1,260 families to help them buy their first homes in Santa Clara County and enabled the development of hundreds of units of affordable housing rental housing, worth over \$238 million.

The Housing Trust Fund of Santa County and Silicon Valley Leadership Groups as launched "Phase III" and are requesting contributions from the private and public sector. City of Milpitas Redevelopment Agency has been asked to consider contributing \$150,000 towards "Phase III" of the campaign drive. Staff would recommend approval of the request, pursuant to the Redevelopment adoption of a resolution, which requires that the \$150,000 allocation be used within the City of Milpitas to financially assist future affordable housing project.

Approve budget appropriation of \$150,000 from RDA Fund Balance to Housing Reserve Funds for the requested contributions to financially assist future affordable housing project.

☒ Check if City Council Approval required.

Meeting Date: April 5, 2005

Itemization of funds, if needed:			Amount
Requested by:	Division Head:	Date:	
	Department Head:	Date:	
Reviewed by:	Finance Director: <i>Mike Karl</i>	Date: 8/29/05	
Approved by:	City Manager:	Date:	
Date approved by City Council, if required:		Confirmed by:	